

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION**

2501 Lake Tahoe Boulevard, South Lake Tahoe, CA 96150

**NOTICE OF PROPOSED SETTLEMENT OF
CLAIMS AND ALLEGED VIOLATIONS ASSOCIATED WITH NORTHSTAR
MOUNTAIN PROPERTIES, LLC DEVELOPMENT PROJECTS AT THE NORTHSTAR
RESORT COMMUNITY, MARTIS VALLEY, PLACER COUNTY**

NOTICE IS HEREBY GIVEN that the California Regional Water Quality Control Board, Lahontan Region (Water Board) is soliciting comments on a proposed settlement of claims and alleged violations associated with Northstar Mountain Properties, LLC (NMP) development projects at the Northstar Resort community. Written comments must be received at the address above, attention Harold Singer, **by 5:00 p.m. on June 25, 2008 or hsinger@waterboards.ca.gov**.

The Water Board's Prosecution Team has reached a settlement with NMP addressing alleged violations of California water quality protection laws and regulations. The majority of the alleged violations are associated with construction activities that occurred in 2006 on multiple NMP development projects at the Northstar Resort community in eastern Placer County.

The settlement includes NMP paying an administrative civil liability of **\$2.75 million**, of which **\$600,000** will be a cash payment distributed between the State Cleanup and Abatement Account (\$480,000) and the Waste Discharge Permit Fund (\$120,000), and **\$2.15 million** will be directed to a Supplemental Environmental Project (SEP). The SEP consists of implementing restoration efforts and watershed improvements on the Waddle Ranch property. The Waddle Ranch is located in the Martis Valley, eastern Placer County, and was recently acquired by the Truckee Donner Land Trust to establish a conservation easement. The SEP also includes developing two products that will address specific gaps in watershed and forestry management: (1) the "Watershed Evaluation, Treatment and Monitoring Guidance Document," and (2) the "Fuels Treatment/Water Quality Protection Guideline Program."

The Settlement Agreement, proposed Administrative Civil Liability Order, proposed SEP, and related documents pertaining to this issue may be inspected and copied at the Water Board office at the address above during regular business hours. These documents can also be viewed on the Water Board's web site:

www.waterboards.ca.gov/lahontan.

The Water Board will consider the proposed settlement at its July 23-24, 2008 meeting. A meeting agenda with the time and location (to be determined) will be mailed to interested parties and will be available on the Water Board web site by July 3, 2008. The Water Board will not be holding an adjudicatory proceeding or evidentiary hearing at the July 2008 meeting. Instead, the Water Board will decide whether to approve or

reject the proposed settlement after considering the information presented by the Prosecution Team, NMP, written comments submitted by the June 25, 2008 deadline and oral comments presented at the meeting. The Water Board will either adopt or reject the proposed Administrative Civil Liability Order which incorporates the SEP.

Please bring the above information to the attention of anyone you know who would be interested in this matter. Any questions concerning the details of the settlement should be directed to Chuck Curtis at (530) 542-5460 (ccurtis@waterboards.ca.gov) or Scott Ferguson at (530) 542-5432 (sferguson@waterboards.ca.gov). Any questions on the Water Board process to consider this proposed settlement should be directed to Harold Singer at (530) 542-5412 or hsinger@waterboards.ca.gov.

/s/ HAROLD J. SINGER
EXECUTIVE OFFICER

Date: May 20, 2008